

FISCAL YEAR (FY) 2003-04 BUDGET ACT ALLOCATION Funding and Program Overview

This document provides a brief program description for funds contained in the FY 2003-04 allocation. For complete information on the terms and conditions of all funds and programs, please refer to the State and County Combined Negotiated Net Amount (NNA) contract and Drug Medi-Cal (DMC) contract and/or applicable program funding agreement.

STATE GENERAL FUNDS (SGF)

SGF DMC - \$49.4 Million¹

Through an interagency agreement with the California Department of Health Services, the Department of Alcohol and Drug Programs (ADP) administers, manages, and finances the DMC program by way of contracts with counties and/or DMC providers. These funds are available to counties to meet the cost of DMC services for Medi-Cal beneficiaries.

The Federal Financial Participation (FFP), the federal share of the Medi-Cal program, for July through September 2003, is 54.35 percent. Effective October 1, 2003, the FFP share will decrease to 52.95 percent. The change in FFP results in a corresponding SGF change.

NOTE: Beginning in FY 2000-01, the level of funding for the DMC program is determined using caseload estimates. Therefore, the appropriation may be adjusted during the year based on the following factors: caseload, rates, services, and utilization patterns.

State-Operated DMC Services (Direct Contracts)

Any SGF DMC funds allocated to a county that elects not to, or fails to, contract with interested DMC providers to furnish DMC-covered services to eligible DMC beneficiaries will revert to ADP. ADP will, in turn, use the county's SGF DMC funds to contract directly with certified DMC providers in that county for these services.

SGF Ongoing - \$5.8 Million

There is an \$11.5 million ongoing reduction in SGF, a 66.6 percent reduction from the FY 2002-03 allocation. The reduction applies to 50 counties; 8 counties do not receive SGF funding.

These funds are available to counties to meet the cost of alcohol and other drug (AOD) services. These funds cannot be used to match FFP in the DMC program.

SGF DMC Perinatal - \$2.0 Million²

These funds are available to pay for DMC services for Medi-Cal beneficiaries who are pregnant or within the prescribed postpartum period. Eligibility for these services shall end on the last day of the calendar month in which the 60th postpartum day occurs.

¹ The initial allocation is \$44,809,546. The balance is retained at ADP to fund contractual adjustments during the year.

² The initial allocation is \$1,637,000. The balance is retained at ADP to fund contractual adjustments during the year.

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The FFP, the federal share of the Medi-Cal program, for July through September 2003, is 54.35 percent. Effective October 1, 2003, the FFP share will decrease to 52.95 percent. The change in FFP results in a corresponding SGF change.

State-Operated Perinatal DMC Services (Direct Contracts)

Any Perinatal SGF DMC funds allocated to a county that elects not to, or fails to, contract with interested DMC providers to furnish DMC-covered services to eligible DMC beneficiaries will revert to ADP. ADP will, in turn, use the county's Perinatal SGF DMC funds to contract directly with certified DMC providers in that county for these services.

Perinatal SGF Ongoing - \$17.0 Million

Perinatal SGF Ongoing funds are for programs that serve pregnant and parenting women and their children through age 17. These funds cannot be used to match FFP in the DMC program and are subject to the requirements set forth in the *Perinatal Services Network Guidelines*.

Alpine County elected not to participate in this program and did not receive Perinatal SGF funds.

Women and Children's Residential Treatment Services (WCRTS) - \$6.4 Million

These funds are allocated to continue funding the nine existing perinatal treatment programs that were created with grants (since expired) from the federal Center for Substance Abuse Treatment. WCRTS funds are subject to the requirements set forth in the *Perinatal Services Network Guidelines*. These funds cannot be used for purposes of match in the DMC program.

The WCRTS funds are exempt from the ten percent county match requirement. This exemption only applies to state funding provided to replace the expired federal grants and not to any subsequent program expansion.

REIMBURSEMENTS

Parolee Services Network - \$11.0 Million³

The California Department of Corrections continues to make funds available during FY 2003-04 for residential and non-residential AOD and recovery services for men and women paroled to the community from state prisons. These services are available in the counties of: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

³ The initial allocation is \$10,700,092. The balance is retained at ADP to fund contractual adjustments during the year.

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FEDERAL TRUST FUNDS

Federal Substance Abuse Prevention and Treatment (SAPT) Block Grant funds (federal program number 93.959) are provided by the Substance Abuse and Mental Health Services Administration. The Federal Fiscal Year (FFY) 2003 Block Grant award number is 03B1CASAPT-06; the award number for the FFY 2004 Block Grant has not been released. The Budget Act Allocation for FY 2003-04 includes funds from the FFY 2003 and the FFY 2004 SAPT awards. SAPT funds from the FFY 2003 award are available for obligation and expenditure beginning July 1, 2003; they must be expended by June 30, 2004. SAPT funds from the FFY 2004 award will be available October 1, 2003; they must be expended by June 30, 2005.

SAPT Discretionary – FFY 2003 Award One-Time Increase \$242,000
SAPT Discretionary – FFY 2004 Award \$131.5 Million
SAPT Discretionary – FFY 2004 Award One-Time Increase \$1.9 Million⁴
SAPT Discretionary – FFY 2004 Award Ongoing Increase \$817,000

SAPT Discretionary funds are for substance abuse treatment, prevention, and recovery services, as well as for specific populations, such as youth and pregnant and parenting women. Terms and conditions for use of the SAPT Block Grant funds are incorporated into the NNA contracts for FY 2003-04.

Prevention Set-Aside One-Time Increase - FFY 2003 Award \$257,613
Prevention Set-Aside - FFY 2004 Award \$46.9 Million
Prevention Set-Aside Ongoing Increase – FFY 2004 Award \$257,613

Federal law requires that 20 percent of the SAPT Block Grant be expended on primary prevention services.

Friday Night Live (FNL) – FFY 2004 Award \$552,000⁵

The FNL program is designed to prevent AOD use among teenagers through activities including community action, assemblies, and leadership training. FNL is supported by SAPT Primary Prevention Set-Aside funds and is designated as a prevention program. Federal law and regulations establish the requirements for expending these funds. ADP has implemented a new process for FNL funding requests from counties that currently do not receive FNL funds. These requests must be submitted with the V.1 Budget Amendments and received within 60 days of the Budget Act Allocation. Funding is available in FY 2003-04 for counties who want to establish a FNL program. Mono County has elected to participate in the FNL program beginning FY 2003-04.

Club Live (CL) - FFY 2004 Award \$552,000⁶

The CL prevention program is supported by SAPT Primary Prevention Set-Aside funds and is designated to fund prevention services. The program is an extension of FNL and is aimed at middle school age students. Federal law and regulations establish the

⁴ ADP has allocated \$1,273,500 to the counties. ADP is retaining \$626,500 for the California Outcomes Measurement System project.

⁵ ADP has allocated \$543,000 for this program. The balance is retained at ADP for distribution to counties who elect to establish a program.

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requirements for expending these funds. ADP has implemented a new process for CL funding requests from counties that currently do not receive CL funds. These requests must be submitted with the V.1 Budget Amendments and received within 60 days of the Budget Act Allocation. Funding is available in FY 2003-04 for counties who want to establish a CL program. Lassen and Mono Counties have elected to participate in the CL program beginning FY 2003-04.

HIV Set-Aside One-Time Increase – FFY 2003 Award \$64,403

HIV Set-Aside – FFY 2004 Award \$12.5 Million

HIV Set-Aside Ongoing Increase – FFY 2004 Award \$64,403

Federal law requires that five percent of the total SAPT Block Grant award be expended on HIV early intervention services. HIV early intervention services must be made available to individuals in a substance abuse treatment program at the treatment site. HIV early intervention services may be provided at other locations, including satellite treatment sites, and still be funded by the SAPT HIV Set-Aside provided that HIV early intervention services are also available at the substance abuse treatment site. These funds are for HIV prevention, testing, and counseling services for clients in treatment programs.

Perinatal Set-Aside – FFY 2004 Award \$17.1 Million

The Perinatal program is part of the Perinatal Services Network and is subject to the requirements set forth in the *Perinatal Services Network Guidelines*. Counties must use these funds to increase or maintain existing perinatal treatment capacity and programs.

Counties may also use the SAPT Perinatal Set-Aside funds to expand static capacity in existing perinatal programs, add new perinatal services or programs, and change existing programs.

Female Offender Treatment Services – FFY 2004 Award \$645,000⁷

This program is designed to provide six months of continuous residential alcohol and drug treatment for women who are paroled from the Forever Free Program at the California Institution for Women. The four participating counties (Los Angeles, Orange, Riverside, and San Bernardino) are required to comply with all state/county contract terms and conditions. In case of under-utilization of the treatment services, other women on parole from the California State Prison System may receive Female Offender Treatment Program services on a case-by-case basis.

SAPT Special Projects/Media Campaign – FFY 2004 Award \$288,000

Funds for special projects are allocated to: Alameda County, for the African American Women's Media Campaign (\$27,500); Los Angeles County, for the Alcohol Center for Women (\$95,000), the Hispanic Women's Media Campaign (\$65,000), and the African American Women's Media Campaign (\$27,500); Modoc County, for the Indian Health Project (\$25,000); and Tulare County, for the Tule River Tribal Council (\$48,000).

⁶ ADP has allocated \$540,000 for this program. The balance is retained at ADP for distribution to counties who elect to establish a program.

⁷ ADP has allocated \$644,640 for this program.

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Adolescent and Youth Treatment Program – FFY 2004 Award \$7.4 Million

SAPT Adolescent and Youth Treatment funds were combined at the FY 2002-03 Budget Act Allocation. These funds are allocated at the historical level. The *Youth Treatment Guidelines* released by ADP in September 2002 are designed for counties to use in developing and implementing youth treatment programs funded by this allocation.

**Youth Development and Crime Prevention (YDCP) Initiative –
FFY 2004 Award \$400,000**

The California Health and Human Services Agency, ADP, Department of Mental Health, and the Employment Development Department collaborated to initiate this program in September 2000. The participating counties were selected through a Solicitation for Proposals (SFP) process to demonstrate the YDCP Initiative. The YDCP counties receive a combination of substance abuse, mental health, and workforce investment funds for service coordination and an array of services for youth engaged in, or at high risk of, committing juvenile crime. The terms and conditions of funding are contained in the SFP, and funding for each county is based on the amount requested in their proposal.

The YDCP Initiative provides funding for the aforementioned services for 36 months. ADP distributed the first year of SAPT YDCP Initiative funds in FY 2001-02. FY 2003-04 is the last year the YDCP counties will receive specific department funding.

**Substance Abuse Treatment and Testing Accountability (SATTA) Program –
FFY 2003 Award \$2.2 Million
SATTA Program – FFY 2004 Award \$6.4 Million**

In accordance with the SATTA program, \$8.6 million is allocated for an additional year of funding for drug testing. These funds are from the FFY 2003 SAPT Award and the FFY 2004 SAPT Award. Funds for the FFY 2003 award are available beginning July 1, 2003, and must be obligated or expended by June 30, 2004. Funds for the FFY 2004 award are available October 1, 2003, and must be obligated or expended by June 30, 2005.

The source of these funds is the SAPT Block Grant and expenditures must be consistent with federal law. If the county has met its drug testing need, these funds may be used for discretionary purposes.

Alpine County declined SATTA funds for FY 2003-04. As a result, Alpine County's allocation has been redistributed to participating counties using the Substance Abuse and Crime Prevention Act allocation methodology.